UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
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MAR 25 2008

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First St., N.E. Room 1A
Washington, DC 20426

Docket Nos. CP08-6-00, PF07-4-000, FERC EIS 0220D

Dear Ms. Bose:

In accordance with our responsibilities under Section 309 of the Clean Air Act, the National Environmental Policy Act (NEPA), and the Council on Environmental Quality (CEQ) Regulations for Implementing NEPA, the U.S. Environmental Protection Agency (EPA) Region 6 office in Dallas, Texas, has completed its review of the Draft Environmental Impact Statement (DEIS) for the Midcontinent Express Pipeline Project. The purpose of the project is to facilitate the transport of up to 1,500,000 dekatherms per day of natural gas from production wells in eastern Texas, Oklahoma, and Arkansas to market hubs that would service the eastern United States.

EPA rates the DEIS as "**EC-2**," i.e., EPA has "**Environmental Concerns and Requests Additional Information in the Final EIS (FEIS).**" EPA has identified environmental concerns and informational needs to be included in the FEIS to complement and to more fully insure compliance with the requirements of NEPA and the CEQ regulations and the Clean Water Act. Areas requiring additional information or clarification include: environmental justice, wetland impacts and mitigation, and air quality impacts.

Our classification will be published in the Federal Register according to our responsibility under Section 309 of the Clean Air Act to inform the public of our views on proposed Federal actions. Detailed comments are enclosed with this letter, which more clearly identify our concerns and the informational needs requested for incorporation into the FEIS.

EPA appreciates the opportunity to review the DEIS. If you have any questions, please contact Mike Jansky of my staff at 214-665-7451 or e-mail him at jansky.michael@epa.gov for assistance. Please send our office five copies of the FEIS when it is sent to the Office of Federal Activities, EPA (Mail Code 2252A), Ariel Rios Building, 1200 Pennsylvania Ave, N.W., Washington, D.C. 20460.

Sincerely yours,

for Cathy Gilmore, Chief
Office of Planning and
Coordination (6EN-XP)

Enclosure

DETAILED COMMENTS
ON THE
DRAFT ENVIRONMENTAL IMPACT STATEMENT
FOR THE
MIDCONTINENTAL EXPRESS PIPELINE PROJECT

Water Resources

As stated in the Draft Environmental Impact Statement (DEIS), all stakeholders including, but not limited to, US Army Corps of Engineers (USACE), US Fish and Wildlife Service (USFWS), state and local authorities should be consulted for mitigation of impacts to water quality and aquatic species. We also agree with the Federal Energy Regulatory Commission (FERC) that no streams proposed to be crossed via Horizonal Directional Drilling (HDD) be crossed by any other method without prior approval of FERC. Additionally, however, the USACE, US Environmental Protection Agency (USEPA), USFWS, US National Park Service (USNPS), and any other applicable federal, state, and/or local regulatory, duly authorized entity should be consulted during the decision-making process for changes from HHD crossings. The Final EIS (FEIS) should also disclose the status of proposed HDD crossings.

Wetlands

Midcontinental Express Project MEP) should consult directly with USACE to ensure proper wetland mitigation and restoration procedures are followed closely. Furthermore, MEP's final wetland mitigation plan should be reviewed by USACE, USEPA, and USFWS for concurrence before being filed with FERC.

Vegetation

MEP should avoid forest fragmentation to preserve the habitat and other benefits of contiguous tracts. MEP should also pay close attention to forest fragmentation as it relates to edge effects and invasive species. MEP should develop a specific contingency for dealing with *Ailanthus altissima* (Tree of Heaven), which can be expected to flourish along forest edges potentially created by pipeline ROWs. A plan should be in place to ensure this species does not leverage fragmented boundaries created by disturbing forested areas. A monitoring program should be implemented and contingencies should be designed to eliminate invasives, such as *A. altissima*, once proposed construction of the project is underway. This should be done in consultation with US Department of Agriculture (USDA) and elements therein delegated to state and local agencies.

Wildlife and Aquatic Resources

As stated by MEP, close consultation with USFWS is essential in this resource area. Every effort should be made to restrict construction during Interior Least Tern

breeding season within its historic range. USFWS jurisdiction and regulations should be adhered to in the strictest manner possible.

Threatened, Endangered, and Special Status Species

EPA defers to USFWS in the design and implementation of any proposal as it relates to these species. Consideration should be given to the natural history, breeding seasons, as well as breeding territory of any and all threatened, endangered and special status florae and faunae. Recommendations from MEP in the FEIS should be specific in this regard.

Alternatives

The CGT – TRANSCO route alternative should be considered further due to its increased use of existing ROWs and reduced environmental impacts. It should be noted that there is, at least the appearance of, more consideration to private land interests in varying the proposed route than environmental interests (Ref: Kidwell route variation, Twin Lakes route variation). That is, we note that some private lands and communities are avoided while others are impacted. In this regard, the FEIS should better disclose the rationale for the selection of route variants and attempt to avoid or reasonably balance unavoidable societal and environmental impacts along the ROW. We recommend co-location of the pipeline within existing ROWs wherever feasible to avoid or minimize impacts to both societal and environmental resources, assuming the natural gas pipeline product is compatible with the existing ROW utilities and no substantive additional impacts result through collocation.

Socioeconomic Consideration

The proposed project crosses five states, two of which are in Region 4 - Mississippi and Alabama. Within MS, the pipeline traverses seven counties (Warren, Hinds, Rankin, Simpson, Smith, Jasper, and Clarke). In Alabama, the project crosses only one county (Choctaw). However, these comments can apply to entire region of influence.

1. EPA commends FERC's efforts to characterize the demographic composition and the economic status of the counties and parishes traversed with the proposed pipeline corridor relative to the State Averages. The data indicates that the project crosses many areas with substantial minority and low-income populations. According to the DEIS, there is a potential for disproportionate effects on minority and low-income populations. Consequently, additional analysis was required that considered whether the project-related effects would be adverse. The analysis assessed that the potential public health (i.e., pipeline failure) and socio-economic impacts (i.e., jobs and devaluation of property values).

2. The DEIS states that a total of twenty-three residences are located within 50 feet of proposed construction work areas (Section 3.8.1.5). These residents may experience

a potential risk from property value devaluations within a pipeline easement and pipeline failure. Based on the data included in the DEIS, the risks of devaluations of property values or residential responsibility for property taxes that include the pipeline easements are present. The non-employee fatality risk from this natural gas pipeline appears to be 1 every 198 years (FERC-Page 3-190). EPA appreciates the inclusion of this risk information in the DEIS along with the table comparing risks from other sources including liquid and gas pipelines.

Recommendations: The FEIS should include demographic information for these residents if available. Low income residents may experience added economic hardships should the project result in property value or usage impacts.

3. The EJ section of the DEIS incorporates a section on public involvement. Meaningful public involvement is an essential component of an EJ analysis. However, the DEIS discusses public involvement broadly and states that the public involvement efforts focused on the affected property owners and was not specific to EJ populations.

   Recommendation: In the future, an enhanced outreach effort should be developed to assure that EJ populations are engaged in the public participation process particularly when the potential exists to affect areas with high EJ populations. These efforts help to identify impacts and issues that are important to these communities.

Air Quality

In Table 3.11.1-1 on page 3-167, FERC shows the annual national ambient air quality standard for PM_{10} as "Revoked" (which is correct). To avoid confusion, we recommend that no indication be made of a revoked standard. If this recommendation is followed (that is, the entry is deleted), the footnote designations will have to be changed.

On page 3-168 under the heading "Air Quality Control Regions," FERC states that "AQCRs are categorized as Class I, Class II, or Class III" with reference to prevention of significant deterioration (PSD) area classifications. These classifications are not made on the basis of AQCR boundaries. We recommend changing the sentence to read "Areas of the U.S. are categorized as ...."

Also on page 3-168 under the heading "Air Quality Control Regions," FERC states the following: "If a new source or major modification is subject to the PSD program requirements and is within 62 miles (100 kilometers of a Class I area, the facility is required to notify the appropriate federal officials and assess the impacts of the proposed project on the Class I area." The concept of an official 100-km cutoff distance from PSD Class I areas is not correct. The distance at which a Class I area impact analysis may be required depends on the types and quantities of the pollutants emitted from a project and on the air quality related values of the specific Class I areas that could be potentially affected. In some cases, project impacts on a Class I area must be assessed even at distances much greater than 100 km. We recommend deleting the sentence

quoted above and replacing it with the following: "Given the types and quantities of the emissions from the compressor stations involved in the proposed project and the distance to the nearest Class I area, no adverse impacts on Class I areas is expected."

On page 3-169, FERC lists one of the PSD Class I areas as "the Breton National Wildlife Refuge." The actual Class I area is the Breton National Wilderness Area within the Breton National Wildlife Refuge.

The second and third paragraphs on page 3-169 and the accompanying Table 3.11.1-2 all appear under the heading "Prevention of Significant Deterioration" (PSD). A possible confusion exists here because the table has applicability thresholds for both the PSD permitting program and the title V permitting program. The easiest way to minimize this confusion would be to have separate tables for the PSD discussion and the title V discussion (that starts on page 3-171). If this is done, the table for PSD should include PM as well as $PM_{10/2.5}$, and it should not include formaldehyde and total HAPs which are regulated under the title V program but not under the PSD program (except insofar as a HAP fits within a category such as VOC covered by PSD).

In the fourth line of the second paragraph on page 3-169, the term "any regulated pollutant" should be "any regulated NSR pollutant."

In the third line of the third paragraph on page 3-169, the term "any criteria pollutant" should be "any regulated NSR pollutant."

In the fourth line of the third paragraph on page 3-169, the term "each regulated pollutant" should be "each regulated NSR pollutant."

On page 3-171 under the heading "Title V Permitting," FERC states that the Vicksburg Compressor Station would not require a title V permit, in part because "[a]s shown in Table 3.11.1-2" the non-HAP pollutant emissions are less than the major source non-HAP threshold of 100 tpy. However, the VOC emission rate for Vicksburg in Table 3.11.1-2 is 102.3 tpy. Perhaps what FERC meant is that the Vicksburg station is in a source category for which fugitive emissions do not have to be considered for title V major source applicability purposes and that non-fugitive VOC emissions are less than 100 tpy. If this is the case, an explanation should be provided.

On page 3-173 in the first paragraph under the heading "Operations Emissions," Table 3.11.1-4 should be Table 3.11.1-2.

Related to the re-stated conclusion at the top of page 3-175 that PSD permitting is not applicable to the Vicksburg compressor station, no modeling was performed to assess compliance with PSD increments. However, even if the Vicksburg compressor station is not a PSD major source, the proposed emissions increases could still consume PSD increments. Increment consumption occurs for new minor sources if the minor source baseline date for a given pollutant has been established prior to the construction of the new minor source. For completeness sake, FERC might wish to compare modeling

results for Vicksburg NO_x emissions increases to the PSD Class II increment for NO_2. (Emissions increases for SO_2 and PM_{10} are probably low enough that modeling is unnecessary.) This is merely a suggestion. FERC can use its discretion in deciding what to do with the suggestion.